



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: September 1, 2000

REPORT NO: 00-173

ATTENTION: Honorable Mayor and City Council

SUBJECT: Application by RCN Telecom Services of California, for a City-wide Cable TV Franchise.

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

DISCUSSION

On August 24, 2000, the City of San Diego received an application from RCN Telecom Services for a city-wide cable television franchise.

RCN Telecom Services (RCN) is a California-based company and subsidiary of RCN Corporation. RCN is proposing to provide competitive "bundled" telecommunications services including video, high-speed Internet, and local/long distance telephone services in direct competition with existing cable television, Internet, and telephone service providers in the City. RCN is currently providing competitive telecommunications services in a number of eastern cities including New York, Boston, Philadelphia, Washington, DC, and Chicago. RCN California is currently licensed to provide service in four San Francisco bay area communities and has an application pending with the City of Los Angeles. Of the services to be offered, the provision of cable tv service requires that RCN establish a cable television provider franchise with the City of San Diego.

RCN is the second competitive cable television service provider to approach the City for a license to provide services in direct competition with the existing incumbent cable television service providers. The City Council approved its first City-wide competitive cable television franchise with Western Integrated Networks (WIN) on June 19, 2000.

Staff is reviewing the application and will negotiate the terms of a proposed City-wide competitive franchise agreement. Upon the successful conclusion of these negotiations, the City Manager will present the proposed franchise agreement to the Council for its review and approval.

Respectfully submitted,

Richard E. Wilken
Director, Information Technology
& Communications

Approved: Dianah L. Neff
Deputy City Manager/Chief Information Officer

WILKEN/MJ